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IN THE

Supreme Court of the United States

OCTOBER TERM, 1949

No. 289

REMINGTON RAND INC.,
Petitioner,

vs.

ROYAL TYPEWRITER COMPANY, INC.,
Respondent.

PETITIONER'S REPLY BRIEF

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INTRODUCTION

Respondent's brief supports petitioner's conclusion that questions of fundamental public importance relating to judicial administration in patent litigation have been presented which should be answered by this Court.

Respondent states that the adoption of petitioner's contention would deal a "death blow" to the patent system.

On the contrary, the Petition presents an issue of great importance to the Courts, the Bar and the general public, and rather than dealing a death-blow to the patent system, the adoption of Petitioner's contention will vitalize the promotion of the public interest, will greatly benefit the patent system by precluding the possibility of an invalid patent, by judgment of a Court, being "in terrorem" of the art contrary to the public policy, and, finally, will eliminate the possibility of the allegedly "baneful effect" in the future in similar cases of which the respondent claims "the instant case itself presents a premonitory sample".

The petition provides an opportunity to establish that in patent litigation, protection of the public interest is paramount and, therefore, that validity is of primary importance, that a decree of validity and infringement requires a trial of the issue of validity and cannot properly

be based on concessions of, or failure to contest validity as well as on private agreements (express or implied) not to contest validity, and other private acts of commission or omission which contravene the public policy.

Those principles are set forth in the *Mercoid, Katzinger, Scott Paper* v. *Marcalus* and other cases discussed in petitioner's brief and avoided in respondent's brief.

The present case is an outstanding example of the need for a precedent for the lower Courts in patent cases where validity has been conceded or not contested. Had the issue of validity been tried in the District Court, the subject matter of the patent in suit would now be where it belongs, in the public domain. See *infra*, pp. 7 to 9.

Instead, the issue of validity was not tried in the District Court and that error was carried even to the stage of application to this Court for a writ of certiorari (69 S. Ct. 50) on a record (First Rec.) devoid of "any adequate means to decide the issue" of validity, and confined to the issue of infringement as the Court of Appeals stated (Petition, pp. 3, 4).

To correct that fundamental error, it was necessary to apply to the Court of Appeals seeking to try the issue of validity as a matter of right, not a matter of discretion, in the public interest, and when that application was denied the only recourse was the present petition for certiorari.

The needed precedent mentioned above would greatly simplify patent litigation and benefit all those concerned with patents and that means Courts, members of the Bar, and the entire public. That benefit would be the antithesis of the allegedly "baneful effect" postulated by respondent.

Respondent's allegations are summarized as follows:

1. Denial of the petition in the Court of Appeals was purely discretionary.

2. Granting of the petition by this Court would have a "most baneful effect."

3. The issue of validity was tried in the District Court and the evidence sought to be introduced by petitioner adds nothing to the case that was not already before the Court. (This allegation takes the form of the statement that "The questions raised by petition are not presented by the case".)

The Issue of Validity was Not Tried in the District Court and neither it nor the Court of Appeals had Adequate Means to Decide that Issue.

Since the issue of validity was not tried, the fallacy of respondent's arguments clearly appear and the smoke screen of fear which respondent seeks to create vanishes.

It then becomes plain that

A. The petition in the Court of Appeals did not involve the exercise of judicial discretion,

B. Respondent's alleged fears are groundless and

C. The questions raised by the petition are presented by the instant case.

Petitioner does not wish to burden the Court with a discussion at this point of the merits of the patent case.

To get at the pith of the matter immediately, assume for the moment, arguendo, the truth of the facts (1) that the issue of validity was not tried and (2) that a good defense of invalidity is in existence and is presented by the petition.

It will then be demonstrated very briefly (and graphically) that those facts are true.

On the above assumptions, respondent's points 1, 2 and 3 and the argument of respondent's brief fall to the ground.

A. The Petition in the Court of Appeals did not involve the exercise of judicial discretion.

Respondent's argument (Respondent's Brief, pp. 2, 3) is predicated on the assumption that this is the conventional type of case where there was no contravention of public policy and petitioner seeks to reopen a case to present additional evidence *on an issue that has already been tried.*

In such a case, the question of reopening is, of course, discretionary and the averments referred to by respondent are necessary.

That, however, is not this case. Here *the issue of validity was not tried* and public policy was, therefore, contravened.

Contravention of public policy and reopening of an interlocutory decree to avoid contravention of public policy are not matters lying within the sound discretion of the Court.

B. Respondent's Alleged Fears are Groundless. Petitioner's Contentions are in Accordance with the Policy and Principles Established by this Court.

Respondent's summary of petitioner's arguments is inaccurate.

Petitioner's contentions are in accordance with the principles of numerous decisions of this Court (Petition, pp. 15 to 26) including the *Mercoid, Katzinger, Scott Paper* v. *Marcalus and Muncie* cases.

Respondent makes no attempt to controvert the application of the principles of those cases to the present case; indeed those cases are not even mentioned in respondent's brief.

Respondent sets up its own artificial standard of the existing principles by conceding (Respondent's Brief, p. 4) that

> "where a sound defense going to validity exists, public policy is promoted by the making of the defense and contravened by defendant's refusal to make it",

and then says that it is a "long step" from that standard to petitioner's contentions.

Respondent does not, however, contend and could not contend that it is a long step from the applicable principles which this Court has established (in the decisions discussed in petitioner's brief) to the conclusions set forth in petitioner's brief.

Instead of controverting petitioner's arguments, respondent seeks to create a fear of the allegedly "baneful effect" of affirmative answers to the questions presented by the petition. In so doing the respondent grossly overstates its arguments.

The first fear (Respondent's Brief, p. 5) is that it would be necessary to "overrule a century of precedents of this Court". That bogey vanishes when it is realized that respondent merely refers to the rule that the granting of a patent by the Patent Office creates a presumption of validity.*

It is well known that that rule merely places on defendant the burden of showing invalidity and it is further apparent that protection of the public interest requires that that burden be carried, if not by defendant, due to a private agreement, concession, failure to contest or such similar act of omission or commission, then by the Court through appropriate means.

Granting of the petition would not have the slightest effect on that rule.

If the petition be granted, petitioner will have an opportunity to rebut that presumption; and that is just what public policy requires. Even respondent concedes that failure to make the defense of invalidity contravenes public policy (Respondent's Brief, p. 4).

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* See *Ginsberg* v. *Railway Express, etc.*, 72 F. Supp. 42, 43 S. D. N. Y. (1947), where the Court said:

"The administrative process of the Patent Office has been discredited by grant of letters patent in the manner in which the file wrapper shows this patent issued. It may now well be said that no presumption whatever arises from the grant of patent. It is strange that this pioneer among administrative bodies has so used its authority that the presumption of validity of its acts is no longer entertained by Courts. Perhaps this phenomenon may indicate that devotion to the administrative process is not the culmination of democratic government."

If the petition be granted and the decree of the Court of Appeals reversed, the rule regarding the presumptive validity of patents will remain just as it is now.

The second fear-bogey is that adoption of petitioner's contentions would "deal a death blow to the patent system".

That fear is based on the following fallacy and non-sequitur (Respondent's Brief, p. 6):

> "The logic behind petitioner's contention would require a court to reopen the case again and again at any stage whenever defendant raises a defense of invalidity not previously made in the case, regardless not only of defendant's negligence but of all considerations of public policy that underlie the doctrines of laches, estoppel, and res adjudicata".

The true logic behind the petitioner's contentions is that, the issue of validity of a patent *having been tried as required, to promote the public interest,* that issue could not be tried again in any form, except in the sound discretion of the Court upon a proper showing.

The right to reopen while the case is still in the interlocutory stage, to present a good defense of invalidity, is based on contravention of the public policy by failure to try the issue of validity.

When that issue, in any of its phases, forms or subdivisions has once been tried, then the public interest has been protected. Further attempts to retry that issue then are subject to the usual rules relating to reopening to present additional evidence in respect of a previously tried issue, and are subject to the Court's discretion.

It is, therefore, obvious that the fear spectre of "a death blow to the patent system" is not well founded and that there is no foundation for the assertion that "the logic behind petitioner's contentions would require a Court to reopen the case again and again at any stage, etc."

C. The Questions Raised by the Petition are Presented by the Instant Case. (1) The Petitioner has a Good Defense of Invalidity and (2) that Issue Was Not Tried in the District Court.

1. The Petitioner has a Good Defense of Invalidity.

The Hammer affidavit (Second Rec. 4 to 17)* contains a clear exposition of the essential structure of the Woodfine patent in suit and the corresponding structures of the patents which show the invalidity of Woodfine patent.

Mr. Hammer's description of the Woodfine patent (Second Rec. 5, 6) shows that *either the left or right margin stop,* see Fig. 1 (Second Rec. 6), can be moved by hand, *e. g.,* by releasing the corresponding pawl, grasping the slide directly by the fingers and moving the slide toward and into engagement with the *fixed abutment.*

It was well known in the prior art that the slidable member or stop could be disengaged from the rack bar by a "remotely controlled" trip member e. g. the bar or shaft 5 and fingers 7 of Dillon (Second Rec. 7, and 21 lines 74 to 78) operated by key 18 at the keyboard. The slidable stop 1 (of Dillon) is then shifted to any desired position in relation to the rack bar by shifting the carriage which carries the rack bar.**

Woodfine's alleged contribution is limited to providing *a spring* to cause the slidable margin stop to move *automatically instead of by hand.*

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* That affidavit stands uncontroverted, Petitioner's Brief, p. 11, footnote 5.

** See also First Rec., p. 16, testimony of Boulton for Pltf., direct.

"Q. Prior to 1933 have movable elements in the interior or at the rear of the machine been operated by a key on the keyboard through a connection consisting of a series of links and levers? A. Yes, that has been a very common expedient in typewriters. The keys themselves through a series of links and levers operate the type bar. *The margin release control, the back spacer, to mention but a few, are the controls that are operated from keys on the keyboard.*

Q. *And has that been a common expedient for many years?* A. That has."

The essential alleged novelty of the Woodfine structure is described by Mr. Hammer as follows (Second Rec. 17):

> "*A slidable member or stop*" (left or right margin stop) "is normally held in engagement with a *rack bar* by a *detent or latch*" (left or right pawl). "The slidable member is biased toward a *fixed abutment*" (fixed stop) "by a *spring*. Release of the latch or detent permits the spring to act and causes the slidable member to 'jump' toward and into engagement with the fixed abutment."

The issue is whether it amounted to patentable invention to cause the margin stop to be *spring-actuated* instead of *manually actuated*.

There is no oversimplification in the above statement quoted from the Hammer affidavit.

The above issue was not tried in the District Court. The record can be searched in vain for any evidence on the issue whether the above obvious mechanical expedient rose to the dignity of invention. That issue, however, was definitely raised in petitioner's petition in the Court of Appeals (Second Rec. 1 to 17) and is raised in this Court, and evidence is presented showing that that question should be answered in the negative, *i. e.*, the Woodfine patent is invalid because of lack of invention.

To present that evidence clearly and quickly, reference is made to the accompanying chart. (See insert next page).

Fig. 1 on that chart is a pictorial duplication of the above stated quotation from Mr. Hammer's affidavit.

Figs. 3, 4, 6, 7 and 8 show at a glance that the same structure is present in each of the references, none of which was in evidence at the trial.

To say as respondent does, that those patents add nothing to the case that was not already before the Court is to make an obvious misstatement. Those patents show structures identical with the essential structure of the patent in suit.

On the issue of validity, pertinent references are not confined to the typewriter art. In the *Cuno* case (Petitioner's Brief, p. 11) the pertinent references (on which this Court held the patent to be invalid) were not confined to the art of cigar lighters. The arts involved were those relating to the use of a bimetallic element automatically to cut off electric heating current in a resistance element. So here, the arts involved are those showing the *spring actuation* of a slidable member (normally held in engagement with a rack bar as described in the above quotation from Mr. Hammer's affidavit) toward a fixed abutment.

2. The issue of Invalidity was not tried in the District Court.

There was no attack on validity in the District Court. There can be no reasonable dispute about that fact.

As the Court of Appeals clearly stated (168 F. 2d 691) the only issue in dispute was infringement. Defendant conceded validity and *there was no trial of that issue.* Defendant's trial attorney expressly conceded validity* and respondent's attorneys emphasized that concession in the first paragraph of their brief (filed in the Court of Appeals prior to the above decision (168 F. 2d 691)), in the following language—

> "This is a suit for infringement of the Woodfine patent for a margin regulator for typewriters. Validity is not contested. The sole issue is infringement."

The District Court stated (First Rec., p. 235): "There is no question raised as to the validity of the Woodfine patent."

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* Petitioner's brief, p. 2, footnote 2.

The Court of Appeals repeated substantially the same language and said (168 F. 2d 691):

> "We shall confine our discussion to the only issue in dispute—infringement. • • • the defendant concedes the claims in suit to be valid • • •."

Petitioner's trial attorney offered in evidence and discussed a number of patents relating to typewriters for one and only one purpose, *i. e.*, to show that margin-setting devices in general were old and that since the patent in suit related only to *a particular species* of such device the claims should be given a narrow construction. *Interpretation of the position of a patent against a limited prior art background to determine whether the patent claims are narrow or broad is quite distinct from determination of the issue of validity and afforded no adequate means to decide that issue.* There was complete failure to strike at the heart of the alleged invention, *i. e.*, the use of a spring to move the margin stop automatically instead of by hand.

Respondent's statement that there is no distinction between the issues of infringement and validity (Respondent's brief, page 7, 1st par.) is obviously wrong and represents a rather desperate attempt to show what is not so. That validity and infringement are separate issues is clear. The issue of infringement consists of the questions (1) *what is the claimed area* and (2) *has defendant occupied that area?* The issue of validity is the question, *does plaintiff have a valid private monopoly of that claimed area?* In the case at bar, the only prior art was that introduced *to show the extent of the claimed* area.

It is "legalistic fantasy" to assert as respondent does that there is no distinction between the issues of infringement and validity. Indeed, respondent itself emphasized the distinction in its argument in the Court of Appeals on the appeal from the District Court's interlocutory decree (*supra*, p. 9).

The issue of validity was not tried because validity was conceded in contravention of public policy.

The District Court stated that concession (which defendant's trial counsel had made in his opening statement, Petition, p. 2, footnote 2) as follows (First Rec. Opinion, 235),

> "There is no question raised as to the validity of the Woodfine patent".

Then, having "no adequate means to decide the issue" of validity (as clearly stated by the Court of Appeals 168 F. 2d 691), and on the basis of the concession of validity, the District Court followed the above statement with the conclusion that

> "Nothing in the prior art approaches or suggests Woodfine's Spring Action".

The Court was obviously aware of the defendant's concession of validity and that the prior art in evidence at the trial was adduced for the limited purpose of determining the scope or extent of the claimed area as bearing on the range of equivalents to be accorded to the claims. It is clear (*supra*, p. 7) that Woodfine's spring action is shown in the prior art not in evidence at the trial and that since no evidence was introduced at the trial to show invalidity, there was

> "no adequate means to decide the issue"

as the Court of Appeals clearly stated.

The latter statement was not made in a vacuum. It was made with direct reference to *the absence of evidence on the issue of validity in the case decided.*

Conclusion

It is respectfully submitted that the petition should be granted.

Respectfully submitted,

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